

**CalWORKs, LONG-TERM FAMILY SELF-SUFFICIENCY PLAN, AND
THE AFTER-SCHOOL ENRICHMENT PROGRAM**

FUNDING RECOMMENDATIONS FOR FISCAL YEAR 2002-03

June 17, 2002

Submitted by:
The Chief Administrative Office
The Community Planning Group
The Department of Public Social Services
The New Directions Task Force
The Public Social Services Commission

INTRODUCTION

Los Angeles County anticipates an FY 2002-03 budget shortfall for the CalWORKs program and the Long-Term Family Self Sufficiency Plan. On January 15, 2002, the Board of Supervisors instructed the Department of Public Social Services (DPSS), the Chief Administrative Office (CAO), and the New Directions Task Force (NDTF), with input from the community and advocates, to prioritize LTFSS projects and the After-School Enrichment Program in light of this looming budget shortfall.

On April 2, 2002, the Board of Supervisors returned to this issue and:

Instruct[ed] the Director of Public Social Services, the New Directions Task Force, and the Chief Administrative Officer, with input from the community, advocates, and the Commission for Public Social Services, to expand the scope of their assessment and prioritization of the Long-Term Family Self-Sufficiency Plan to include core and enhanced CalWORKs services; and present to the Board a proposed funding plan by June 17, 2002.

In response to this instruction, delegates from five stakeholder groups have met intensively over the past six weeks to assess and prioritize CalWORKs core and enhanced services, LTFSS projects, and the After-School Enrichment Program. These stakeholders include: the Chief Administrative Office (CAO); the Department of Public Social Services (DPSS); the New Directions Task Force (NDTF)¹; the Public Social Services Commission (PSSC); and the Community Planning Group (CPG), comprising representatives from all 8 Service Planning Area Councils, the American Indian Children's Council, and myriad community-based organizations and advocacy groups.

THE AMOUNT OF MONEY ADDRESSED BY THESE RECOMMENDATIONS

The CAO and DPSS have carefully analyzed the Governor's May revise budget, and conducted thorough assessments of the still unresolved budgetary and political contingencies. Based on this analysis, the CAO and DPSS estimate that the County will receive an additional **\$30.2 million** in CalWORKs single allocation funds beyond those single allocation funds assumed in the proposed FY 2002-03 County budget, and **\$138.5 million** in CalWORKs performance incentives funds for FY 2002-03. The three other stakeholder groups agree with this assessment. Therefore, the total funding recommendations for each stakeholder group is **\$168.7 million**.

OVERVIEW OF THE RECOMMENDATIONS

The five stakeholder groups reached complete consensus on funding recommendations for 78 of 103 programs and services, partial consensus on another 7 (meaning that all groups agreed

¹ Although the CAO and DPSS are members of the New Directions Task Force, neither participated in the crafting or approval of the Task Force's recommendations since each is, in its own right, a stakeholder in this process.

funding should be allocated. but disagreed on the amount), and diverged on recommendations for 15 programs and services.

The following tables first summarize the consensus recommendations for funding, then the consensus recommendations for no funding, and finally the recommendations where there is divergence among the groups. The categories for these recommendations are: the After-School Enrichment Program, CalWORKs programs and services already implemented, CalWORKs programs and services not yet implemented, LTFSS projects already implemented, and LTFSS Projects not yet implemented.

CONSENSUS RECOMMENDATIONS INVOLVING FUNDING

Within the 78 programs and services for which there is complete consensus, the group recommends funding for 35 and no funding for 43. The following tables summarize the recommendations that involve funding.

1. The After-School Enrichment Program

The five stakeholder groups recommend allocating the level of funding necessary to sustain the program as it is currently implemented.

After-School Enrichment Program	24,400,000
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2. CalWORKs Programs and Services Already Implemented

For the CalWORKs programs and services already implemented, the five stakeholder groups recommend the following allocations above the amount already included in the proposed FY 2002-03 County Budget:

CalWORKs Programs and Services Already Implemented	Proposed FY 2002-03 County Budget	Recommended additional FY 02- 03 allocation
Eligibility Case Management services	111,550,774	24,605,000
Welfare-to-Work Case Management services (includes ACS & MAXIMUS Contracts)	82,194,000	7,599,000
Cal-Learn Case Management	9,907,000	462,000
Careers in Child Care (10 contracts)	0	2,000,000
Domestic Violence Contract	10,600,000	2,600,000
GAIN Ancillary services	3,500,000	900,000
GAIN Transportation services	15,000,000	2,000,000
LACOE Job Club (includes LTFSS #1)	8,522,000	1,078,000
Learning Disability	2,000,000	2,000,000
Mental Health Services Contract	15,000,000	2,000,000
Substance Abuse Services Contract	16,500,000	5,100,000

3. CalWORKs Programs and Services Not Yet Implemented

For CalWORKs programs and services that have not yet been implemented, the funding recommendations for FY 2002-03 are:

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contract

CalWORKs Programs and Services Not Yet Implemented	Recommended FY 02-03 allocation
Services to Time-Limited Participants	15,188,000
Housing Authority of City of LA (HACLA) Limited-English Proficient contract	1,450,000
Limited-English Proficient Small Scale Contracts & Immersion Pilot Program	1,438,000
Wage-Based Community Service	1,311,000
U-TRANS (Phase 2 Transportation Plan)	1,000,000
Shuttles, Vanpools, and Other Supplemental (Phase 2 Transportation Plan)	3,500,000
Vehicle Diagnosis, Retirement, & Repair (Phase 2 Transportation Plan)	1,000,000
Enhanced CalWORKs Transportation Services (Phase 2 Transportation Plan)	550,000

4. LTFSS Projects Already Implemented

For LTFSS projects already implemented, the funding recommendations for FY 2002-03 are:

LTFSS Projects Already Implemented	Recommended FY 02-03 allocation
#2 Employer-Linked Education	1,500,000
#3 Transitional Subsidized Employment	450,000
#4 County Apprenticeship Program	250,000
#6 Housing Relocation Program	200,000
#9 Mini-Career Centers	2,000,000
#10a 1931 (b) Medi-Cal Outreach	4,938,000
#10b Prenatal Outreach	1,624,000
#22a Wrap Around Cal-Learn	600,000
#23 Youth Jobs	9,788,000
#25 Operation Read	790,000
#40 Data Partnership for Children and Families	712,000
#41 SPA Council Staff & Technical Assistance	318,000

5. LTFSS Projects Not Yet Implemented

For those LTFSS projects not yet implemented, the FY 2002-03 funding recommendations are:

LTFSS Projects Not Yet Implemented	Recommended FY 02-03 allocation
#14a Relocation Grant Homeless Families	1,350,000
#19 Emancipated Foster Youth - Parents	412,500
#20 Teen Passport to Success	743,000

CONSENSUS RECOMMENDATIONS INVOLVING ZERO FUNDING

6. CalWORKs Programs and Services Already Implemented

For CalWORKs programs and services already implemented, *the funding recommendation is to add zero dollars to the amount already included in the proposed FY 2002-03 County Budget:*

CalWORKs Programs and Services Already Implemented	Proposed FY 2002-03 County Budget	Full need addressed in proposed County Budget?	Recommended additional FY 02-03 allocation
CalWORKs Child Care	4,608,000	Yes	0
Allocable Operating Costs	37,443,000		0
Cal-Learn Ancillary Services	30,000	Yes	0
Cal-Learn Transportation	190,000	Yes	0
CalWORKs Family Preservation	0		0
Child Care Training Institute/Start- Up Assistance	550,000	Yes	0
Expedited Child Care Licensing	0		0
GAIN Child Care	162,163,000	Yes	0
GAIN Education & Training Inventory	870,000	Yes	0
GAIN LACOE Vocational Assessment	2,500,000	Yes	0
Job Creation Plan	0		0
Office of Small Business Capacity Building	0		0
Supplemental Refugee Compliance Services	155,000	Yes	0
MTA Welfare-to-Work Dedicated Staffing	0		0

7. All other categories of programs and services

For all other programs and services, including CalWORKs programs and services not yet implemented, LTFSS projects already implemented, and LTFSS projects not yet implemented, *the recommendation is to provide zero dollars to these programs and services in FY 2002-03:*

	Recommended FY 02-03 allocation
CalWORKs Not Implemented	
Transtar	0
Enhanced Job Search Transportation (Phase 2 Transportation Plan)	0
Vehicle Sharing Pilot Program (Phase 2 Transportation Plan)	0
Promote Transportation Employment/Careers (Phase 2 Transportation Plan)	0
LTFSS Implemented	
#27 DART/STOP for CalWORKs Families	0
#30 Support Group for Families of Children on Probation	0
#34b Home Visitation & Case Management	0
#37 School Attendance Areas	0
#39a County Family Resource Centers	0
#42 CalWORKs Systems Review	0
#46 LTFSS Evaluation	0

	Recommended FY 02-03 allocation
LTFSS Not Yet Implemented	
#5 Business Micro-Loan & Incubator Program	0
#8 Community Economic Development	0
#10d Media Outreach for Health Insurance	0
#10e Health Indicator Tracking	0
#16 Housing Counseling/Training	0
#21 Staff Development for Teen Service Providers	0
#22b Career Counselors	0
#24a Library Homework Center	0
#24b Teen Library Card Campaign	0
#24c Support Services for After-School Programs	0
#26 Safe Places ²	0
#28a Domestic Violence Risk Assessment Tool	0
#28b Research What Stops Domestic Violence	0
#28c Domestic Violence Teen Curriculum	0
#32 Fed Family Support Services Network	0
#35 Peer Self-Help Support Groups	0
#39b Deputy Probation Officers For Family Resource Centers	0
#45 Transtar Enhancement	0

DIVERGENT RECOMMENDATIONS

The five stakeholder groups were not able to reach complete consensus on 22 recommendations. Of these 22 recommendations, the stakeholders agreed to recommend funding for 7 programs and services, but disagreed on the amount. For the remaining 15 recommendations, the groups diverged more widely. The following tables outline these 22 programs and services and the respective funding recommendations for each of the five stakeholder groups.

8. CalWORKs Programs and Services Already Implemented

For those CalWORKs projects already implemented, the recommendations range from negative numbers to zero to positive numbers. *A recommendation of 0 means that no money should be allocated above the allocation already included in the proposed FY 2002-03 County budget.* Positive numbers are a recommendation to increase the amount allocated in the proposed FY 2002-03 County budget. Negative numbers (indicated by parentheses) are a recommendation to reduce the amount in the proposed FY 2002-03 County budget³.

² As directed by the Board, all five groups considered funding for Safe Places. To implement Safe Places would require the issuance of a Request for Proposals, insuring that services would likely not be implemented any sooner than the middle of FY 2002-03. Contractors would have to undertake a substantial effort to begin these services, but given that the County is unlikely to have any performance incentive funds available beyond FY 2002-03 (see pages 7 below), it is unclear how this program would be sustained. Therefore, the five stakeholder groups do not recommend proceeding with Safe Places.

³ The recommendations to reduce the amount in the proposed FY 2002-03 County budget for already implemented CalWORKs programs and services give rise to a *scope issue* among the five stakeholder groups. DPSS and the CAO believe the five stakeholder groups should take the County's FY 2002-03 proposed CalWORKs budget as given, focusing only on the question of whether or not to increase the allocations. That is, these two groups believe that recommendations to reduce the amount in the proposed FY 2002-03 County CalWORKs budget are beyond the scope of this process. The Community Planning Group, the New Directions Task Force, and the Public Social Services Commission, on the other hand, believe that this process can recommend reducing amounts in the proposed FY 2002-03 County budget for CalWORKs implemented programs and services in order to increase proposed allocations for other line items.

CalWORKs Implemented	Proposed FY 2002-03 County Budget	Recommended change in proposed FY 2002-03 Funding				
		DPSS	CAO	CPG	NDTF	PSSC
Home Interview Program	5,431,226	0	0	(5,431,226)	(5,431,226)	(5,431,226)
Welfare-to-Work Case Mgt for Non-English/Non-Spanish (DPSS) ⁴	4,000,000	0	0	(4,000,000)	(4,000,000)	(4,000,000)
Welfare-to-Work Case Mgt for Non-English/Non-Spanish (CSS: The RITE Program) ⁴	3,000,000	0	0	4,000,000	4,000,000	4,000,000
Welfare Fraud Investigation	15,762,000	1,204,000	1,204,000	0	0	0
DA Investigation	1,159,000	0	0	(1,159,000)	0	0
DA Prosecution	1,311,000	0	0	(1,311,000)	0	0
CalWORKs Evaluation	1,000,000	550,000	550,000	(1,000,000)	550,000	550,000

9. All other programs and services

For all other programs and services, including CalWORKs not yet implemented, LTFSS projects implemented, LTFSS projects not yet implemented, and a proposed contingency fund, *a recommendation of zero means do not fund in FY 2002-03*; a recommendation of a positive amount means fund at that level for FY 2002-03.

CalWORKs Not Implemented	Recommended FY 2002-03 funding				
	DPSS	CAO	CPG	NDTF	PSSC
Overcoming Barriers to Vehicle Access	0	0	727,000	727,000	727,000
Promote Access to Auto Insurance	0	0	1,000,000	1,000,000	1,000,000
Community College CalWORKs Program	0	0	4,866,000	3,950,000	2,000,000
Adult School/ROCP CalWORKs Program	0	0	0	0	2,000,000
LTFSS Implemented					
#38 Multi-Disciplinary Family Inventory	3,127,000	3,127,000	0	3,127,000	0
#17 Community-Based Teen Services	17,400,000	17,400,000	14,790,000	14,790,000	17,400,000
#18 Teens with Special Needs	3,897,000	3,897,000	3,312,450	3,312,450	3,897,000
#29 School-Based Probation Supervision	2,100,000	2,100,000	0	2,100,000	2,100,000
#31b Increase Non-Traditional Childcare	3,500,000	3,500,000	6,985,000	3,500,000	3,500,000
#33 LTFSS Family Preservation	2,000,000	5,208,000	5,208,000	3,645,000	2,000,000
#34a Nurse Home Visitation Program	2,000,000	2,000,000	900,000	2,000,000	2,000,000

⁴ Please see Note 16 in Attachment A for a detailed discussion of the issues surrounding these two line items.

	Recommended FY 2002-03 funding				
	DPSS	CAO	CPG	NDTF	PSSC
LTFSS Not Yet Implemented					
#7 Strategic Information and Technical Assistance	0	0	325,000	0	0
#15 Emergency Assistance to Prevent Eviction	675,000	857,500	2,400,000	2,400,000	675,000
#31a Child Care-Non-Needy Caregiver	0	0	4,727,000	4,173,276	0
Contingency Fund	6,390,500	3,000,000	6,504,276	3,000,000	10,425,726

ADDITIONAL CONSENSUS RECOMMENDATIONS

The five stakeholder groups also reached consensus on the following four overarching recommendations that complement the funding recommendations for individual programs and services.

10. Recommended timeframe for the funding recommendations

The time frame for expending the \$30.2 million in single allocation funds is necessarily FY 2002-03, because single allocation dollars are allocated annually. For performance incentive funds, the five stakeholder groups also recommend allocating in FY 2002-03 all \$138.5 million projected to be available in FY 2002-03, rather than extending these dollars into any subsequent fiscal years.

Of all of the possible future scenarios affecting performance incentive dollars, the most likely is that the County will receive no additional performance incentive dollars after FY 2002-03, and that any performance incentive dollars not spent in FY 2002-03 will be re-claimed by the State.

Furthermore, the CalWORKs program is likely to undergo significant fiscal and programmatic changes in FY 2003-04, either because of federal changes, state changes, or both. Congress and the President are already engaged in significant negotiations about how to restructure TANF. And regardless of what happens at the national level, policymakers across California agree that CalWORKs cannot be sustained financially as currently structured. The uncertainty at both the federal and state policy levels argues against reducing services in the present to save dollars for the future, particularly given the substantial risk that any performance incentives that are saved for the future will ultimately not be made available to the County.

11. Recommended distribution of single allocation and performance incentive dollars among the funding recommendations

All five stakeholder groups recommend that the \$30.2 million in available single allocation be used for eligibility case management and welfare-to-work case management, including welfare-to-work case management for time-limited adults. The available single allocation funds are sufficient to cover the recommended level of funding for eligibility case management and part of the recommended funding for welfare-to-work case management. This means that the balance of welfare-to-work case management services, and all other recommended services will require funding from performance incentive dollars.

12. Recommended flexibility to shift performance incentive dollars among some programs and services

The cost of some services recommended for funding by performance incentive dollars will depend on the number of participants who actually need and qualify for the service. These services include Services to Time-Limited Adults, GAIN transportation services, Learning Disability evaluations, Vehicle Repair, and the Housing Relocation Program. All five stakeholder groups recommend that the Board of Supervisors authorize DPSS to reallocate performance incentive dollars among these services as necessitated by demand for these services. If these services were fully funded with single allocation dollars, DPSS would already have this reallocation authority.

13. Recommended reconvening of the five stakeholder groups in January 2003

Many of the funding recommendations reflect assumptions about data that will not be known for some time—e.g., how many families who time out of CalWORKs will seek to access supportive services made available through these recommendations. The five stakeholder groups recommend that they reconvene in January 2003 to assess the circumstances at that time and recommend modifications to the FY 2002-03 allocations.

ATTACHED DOCUMENTS

The funding recommendations reflect many nuanced judgments among the five stakeholder groups, judgments that cannot easily be conveyed in a summary report. The attached documents provide greater context and background to these recommendations. These documents include:

- Attachment A: An expanded budget document, detailing the budget recommendations, and providing contextual notes on some of the line items;
- Attachment B: A divergence document that provides space for each of the stakeholder groups to articulate the reasoning behind their recommendations on those line items where the groups did not reach consensus;
- Attachment C: A narrative detailing the process that led to these recommendations, including a list of delegates from each of the five stakeholder groups; and
- Attachment D: A copy of the report detailing the concerns and priorities of the over 8500 CalWORKs and other families with low incomes who participated in the community engagement process organized by the Community Planning Group.